

**GUIDANCE NOTE ON THE EXERCISE OF THE
SECRETARY OF STATE FOR TRADE &
INDUSTRY'S POWERS UNDER SECTION 5 OF
THE REGIONAL DEVELOPMENT AGENCIES
ACT 1998, AND AS AMENDED BY THE
GREATER LONDON AUTHORITY ACT 1999**

**ENGLAND'S REGIONAL DEVELOPMENT
AGENCIES**

DEPARTMENT OF TRADE & INDUSTRY

October 2005

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1. INTRODUCTION

- 1.1 Under Section 5 of the Regional Development Agencies Act 1998, and as amended by the Greater London Authority Act 1999, the English Regional Development Agencies require the Secretary of State's consent to:
- give financial assistance (**Section 5(2)(a) consent**);
 - dispose of land for less than the best consideration which can reasonably be obtained (**Section 5(2)(b) consent**); or
 - form, and acquire an interest in a body corporate (**Section 5(2)(c) consent**).
- 1.2 This Guidance Note describes the process of securing consent, from the Department of Trade and Industry ("*the Department*") and describes how the Department and Regional Development Agencies ("*the RDAs*") will work in partnership to ensure that decisions can be taken as quickly as possible.
- 1.3 The circumstances in which consent is required are defined in the Management Statement and Financial Memorandum agreed between the RDAs and the Department: for the London Development Agency the circumstances are defined in the grant offer letter from the Government Office for London to the GLA setting out the conditions attached to the LDA's grant. The Guidance Note should be read alongside these documents and further guidance issued by the Department¹.
- 1.4 The Guidance Note will be kept under review and periodically updated. The first review will be undertaken in 2006.



Original Signed

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October 2005

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1. In particular, Single Programme Appraisal Guidance and Section 5(2)(c) Consent Guidance

2. APPLICATIONS FOR CONSENT UNDER SECTION 5(2)(a)

- 2.1 The RDA Act 1998 (the Act) enables the RDAs to give “financial assistance” but does not define the term. Government bodies must avoid compromising the EU competition rules and comply with the State Aid requirements. In addition, Treasury’s expenditure controls can vary and it is not practical to set out such aspects in founding legislation. In practice, guiding principles and conditions are set out in other documents, in particular, but not limited to, in each RDA’s Financial Memorandum, Government Accounting, Dear Accounting Officer General letters and other guidance issued by the Department.

PROJECTS

Purpose

- 2.2 As set out in the Financial Memorandum, the RDAs require consent to:
- give financial assistance above the RDA’s financial delegation (presently £10m). In deciding whether or not a project is over the financial delegation, the relevant figure is the gross undiscounted costs to be contributed to the project by the RDA and for which it is directly accountable; it is also the RDA’s responsibility to ensure that projects are not artificially divided to avoid the requirement to obtain consent.
 - give financial assistance for a project that is “novel, contentious or repercussive”² irrespective of its cost. Initially it is the RDA’s responsibility to identify projects that may be “novel, contentious or repercussive” and for which consent is therefore required. Where there is any doubt as to whether or not a project may be deemed novel, contentious or repercussive, the RDA should discuss this in the first instance with the Secretariat to the Central Project Review Group (CPRG), which advises the Department on the exercise of these powers. The Treasury reserves the right to deem projects as novel, contentious, repercussive or otherwise.
- 2.3 A project is defined as “a unique set of co-ordinated activities with definite starting and finishing points undertaken by an individual or team, to meet specific objectives with defined time, cost and performance parameters.”³

2. There is no definition of “novel, contentious or repercussive” in respect of projects and the RDA should seek guidance from the CPRG Secretariat where there is any doubt. A general indication of what constitutes novel, contention or repercussive can be found in Government Accounting, paragraph 12 of Annex 9.3, (Treasury’s model Financial Memorandum).

3. See Annex A, footnote 21, of the RDA Financial Memorandum 2005.

- 2.4 The Secretary of State's consent is required to ensure, generally, that the use of public funding is justified and, in particular, that:
- RDA projects above their financial delegation or which are novel, contentious or repercussive are appraised in line with the Department's Single Programme Appraisal Guidance (SPAG);
 - all reasonable options have been considered and the preferred option can be substantiated, on grounds of overall value for money;
 - significant risks have been identified, there is a risk mitigation and management plan and an exit strategy;
 - the project demonstrates value for money, and
 - the appraisal is compliant with The Green Book.
- 2.5 Decisions on applications for consent under Section 5(2)(a), which must first have the approval of the RDA Board, are taken on behalf of the Secretary of State by a senior official in the Department, the Director of Regional Development Agency Sponsorship & Finance ("the Director"), who is advised on the exercise of the powers by the Central Project Review Group, an interdepartmental group of officials (Annex B describes the roles and responsibilities of the different officials represented on this group). In taking decisions, the Director acts for and on behalf of the Secretary of State for Trade & Industry.
- 2.6 Decisions on projects where the gross undiscounted funds to be contributed by the RDA and for which the RDA is directly accountable exceed £20m, or that are "novel, contentious or repercussive" whatever the value of the project, may be taken by an official in HM Treasury or the Director.
- 2.7 Where a proposal to give financial assistance is given consent, it does not in any way commit the Department to provide any funding for the project concerned. It is for the RDAs to ensure that they have the necessary resources to take forward projects submitted for approval. The RDA must not make any financial commitments for a project for which the Secretary of State's consent is required, until such consent has been given.

Roles and responsibilities

- 2.8 Working in partnership with each other:
- the Department is responsible for ensuring that all applications are processed efficiently and effectively for consent in line with this Guidance Note and that all relevant considerations⁴ have been taken into account in reaching decisions, and so protect the DTI Accounting Officer's position;
 - the RDAs are responsible for ensuring that all the projects they are funding, whether or not consent is required, are appraised in line with the Single Programme Appraisal Guidance and that, where necessary, consent is sought and the Department provided with all necessary information;

4. See factors set out in paragraph 2.4

- the RDAs are responsible for ensuring that consent is sought from the Department where projects are above their financial delegation or are novel, contentious or repercussive, and that the Department is provided with all necessary information.

2.9 To facilitate partnership working at all stages:

- the Department will nominate a lead contact for each of the different types of proposal for which consent is required; and
- each RDA will nominate a named person as its principal point of contact ("*the RDA Contact*").

Prior consideration of projects likely to require consent

2.10 To facilitate the process of determining whether or not a project requires consent, not only under Section 5(2)(a) of the Act but also under Section 5(2)(b) (see section 4) if applicable, and ensuring that the details of individual proposals are clearly understood:

- the RDAs will alert the Department (through the CPRG Secretariat) if it appears the project will require consent or raises other issues on which advice should be sought formally.
- the CPRG Secretariat, acting for the Department, will consider proposals, including option papers, prior to a formal application for consent where the RDA considers particular issues may raise concern or would like to give relevant advisers initial observations on the proposed investment;
- where prior consideration is sought, the CPRG Secretariat, acting for the Department will, without prejudice to any final decision necessary, respond and provide any advice sought within 10 working days.

Advance notification of forthcoming projects that require consent

- 2.11 The CPRG Secretariat maintains a Quarterly 'Forward Look' for upcoming applications for consent. This lists the following information for each project:
- project name;
 - short description;
 - expected date for the project to be considered by CPRG;
 - estimated RDA gross undiscounted cost.
- 2.12 To facilitate business planning:
- on a quarterly basis, to reach the CPRG Secretariat by 15th March, 15th June, 15th September and 15th December, each RDA will provide an updated forward look ("*the Quarterly Forward Look*") for all expected applications for consent in the pipeline, including any likely to be submitted in the next four quarters and taking into account the need to apply for and receive consent before making any binding commitments;
 - the Department, acting through the CPRG Secretariat, will circulate the Quarterly Forward Look to RDA Contacts, GOs and the Departments represented on CPRG.
- 2.13 The Department recognises that project proposals can arise at short notice that may not have been included in the Forward Look (eg a private sector partner is suddenly able to commit expenditure in its current financial accounting year which is about to come to a close but not in the following.)

Submission and consideration of projects for consent

- 2.14 All projects are considered by CPRG and the RDA will usually attend a meeting to present the project, and respond to questions from CPRG members. Meetings are held every two weeks through out the year (April to February). In exceptional circumstance, meetings can be held in March. These normally take place in London but, with sufficient notice, videoconferencing arrangements are possible. From time to time CPRG members may wish to undertake a site visit, with the RDA assisting in making the necessary arrangements.

Action before CPRG meetings

- the RDA will liaise closely with the CPRG Secretariat over anticipated project submission dates. In planning ahead, the RDAs should include in their project appraisal process sufficient time to allow consideration by CPRG, which might involve a meeting;
- the RDA will make a full project submission (Annex C) to the CPRG Secretariat no less than 10 working days before the meeting at which they would like the proposal to be discussed (i.e. papers must be received by close of play on the Tuesday a fortnight before the meeting); submissions received less than 10 working days before the next scheduled meeting will normally be tabled for the meeting two weeks after that. The content of Full Project Submissions and details of the number of copies required is specified at Annex C;

- the CPRG Secretariat will aim to table projects at the meeting pre-defined by the RDA concerned. Projects cannot be tabled until full documentation has been received and it may not always be possible to meet an RDA's preference, even if the submission is timely, because the agenda for the preferred meeting may be full and it may not be possible to extend it or convene an additional meeting in the preferred timescale. If a project cannot be tabled for the preferred meeting, it will be automatically tabled for the subsequent meeting;
- the CPRG Secretariat will advise the RDA Contact and the relevant Government Office of the date, time and venue for the CPRG meeting within 2 working days of a submission being received;
- as early as possible, the RDA Contact will advise the CPRG Secretariat of the names of people from other bodies that it would like to be invited to the meeting;
- the CPRG Secretariat will circulate to all RDA Contacts the Agenda and a snapshot of projects that CPRG have recently commented on or that are currently being considered by CPRG no later than 3 working days before the meeting takes place;
- the CPRG Secretariat will aim to send the RDA Contact a written note of initial comments no later than 2 working days before the meeting;

Action at CPRG meetings

- CPRG meetings normally last one hour but longer can be arranged in exceptional circumstances;
- at meetings the RDA will be invited to make a short presentation on the project, answer fully any questions notified to it in advance and give initial responses to any further questions that may be posed at the meeting;

Action after CPRG meetings

- the CPRG Secretariat will circulate to the RDA Contact a record of the discussion on the project no later than 2 working days after the meeting;
- CPRG Secretariat will advise the RDA that:
 - there are aspects of the proposal that require further clarification and may necessitate a further meeting; or
 - CPRG has recommended that the Department give or refuse consent, based principally on compliance or otherwise with the Single Programme Appraisal Guidance; or
 - as the RDA investment in the project is £20m or over or because the project may be novel, contentious or repercussive, it has been referred formally to Treasury for a decision;
- the RDA Contact will provide a written response on any outstanding initial points or any points raised at the meeting within 5 working days of receipt of the CPRG report; and

- where the RDA provides further information the CPRG Secretariat will advise the RDA within five working days of receipt of the information whether additional clarification is required or whether a decision can be issued or the proposal put to Treasury.

Decisions

- 2.15 Acting on advice from the CPRG Secretariat, the Department will, within 5 working days:
- give consent by a letter signed by the Director or another senior official. Consent may be for the whole or only part of the project and may be conditional on compliance with specific conditions set out in the letter; the RDA is responsible for ensuring any conditions are met; or
 - refuse consent. In such circumstances, the Department will set out the reasons for the decision against the criteria in 2.3.

Progress reporting

- 2.16 One year after approval has been given for a project, CPRG will write to the RDA contact asking for a progress report⁵. If a project is not running to plan, this report should explain why and set out what is being done to get it back on track. Where key milestones are being achieved, this should be included. Where a project is complete, details of the evaluation that has been, or will be carried out, should be provided. CPRG will continue to request progress reports each year until the project is complete and a final evaluation undertaken.

Promoting best practice

- 2.17 CPRG's remit also allows for back checks of project appraisals within the RDAs' financial delegation to provide assurance to Departments' of the effectiveness of their project appraisal and delivery processes and to identify areas for improvement or to encourage best practice. For that reason and acting for the Departments, the CPRG Secretariat may undertake or commission post appraisal back checks on a selective basis, whether or not the project required consent under Section 5(2)(a). Back checks do not constitute a review of the decision to give consent but may lead to recommendations to improve the process. In order to promote best practice, the Appraisal Practitioners Group and the Office of Project Appraisal Training will be asked to provide collective guidance and training on common issues identified by CPRG.
- 2.18 A project that does not yield all of the expected benefits is not necessarily a failure, providing lessons are learnt and disseminated. In order, therefore, to facilitate the sharing of innovation and good practice:
- the RDAs are required under SPAG to monitor and evaluate⁶ all projects. To facilitate understanding on what makes for good projects, they should share lessons learned with each other through the Appraisal Practitioners Group. For those projects submitted to CPRG for consent the RDA Contact should provide CPRG Secretariat with a copy of the project evaluation report.
 - the CPRG Secretariat will provide RDA Contacts, CPRG members and Ministers with a quarterly report setting out the following information for each project given or refused consent under Section 5(2)(a) during the quarter:

5. ODPM has issued a proforma for RDAs to follow when writing annual progress reports. This has been reproduced as Annex E.

6. Guidance on project evaluation can be found in Chapter 7 of Treasury's Green Book and OffPAT's draft Evaluation Advice Note.

- the RDA and other public or private sector bodies funding the project;
- the name of the project;
- a brief description of the project;
- the date the application for consent was received;
- the decision; and
- the decision date.

Performance reporting

2.19 To underpin this Guidance Note, the quarterly report will note:

- the average time taken to process applications from the RDAs on which a decision was taken during the period; and
- any significant failure by either the CPRG Secretariat or the RDA Contacts to fulfil the terms of this Guidance Note with an explanation in each case and a statement of any remedial action taken.

NON GRANT FINANCIAL ASSISTANCE

Purpose

2.20 The purpose of requiring consent for specific forms of expenditure is to ensure Government policy, financial and otherwise, is followed and not undermined. Rules and financial limits are set out in Sections 4 and 5 of each RDA's Financial Memorandum 2005 (Annex B of the Combined Management Statement and Financial Memorandum) along with any other conditions considered appropriate to effect Government policy.

Specific forms of expenditure requiring consent

2.21 The majority of Section 5(2)(a) consents are dealt with by CPRG as these involve grant expenditure above the RDA's financial delegation. The following forms of direct project expenditure also require specific consent under the Act:

- making loans;
- investing⁷;
- issuing special payments⁸;
- giving endowments⁹.

7. Investing includes, for example, purchase of shares, debentures, bonds.

8. RDAs have delegations under the Financial Memorandum in respect of these categories.

9. See guidance on obtaining Treasury approval in DAO(GEN)07/05, Annex A paragraph 29 to 32.

- gifts to third parties (land or property)⁹ and¹⁰.

The need for consent in respect of any of the above forms of expenditure should be flagged up in any case that is submitted for consideration by CPRG. *(In order to dovetail the consents the RDA contact should copy the application to the Government Office in its region, who will inform the Director. In all other cases, the application should be made as set out in paragraph 2.23 below).*

2.22 In addition, the RDA's Financial Memorandum requires the RDA to seek consent for certain administrative functions or indirect financial assistance.

- Borrowing⁸;
- write-offs⁸ and¹¹;
- gifts (financial or otherwise) to employees, partners or stakeholders⁸;
- giving guarantees or indemnities above delegation limits⁸, and
- creating liabilities or contingent liabilities above delegation limit⁸.

2.23 In the case of indirect financial assistance, the application should also supply a consideration of whether such assistance amounts to state aid or when combined to any other aid it respects the cumulation rules applying to the respective aids or remains within the conditions laid out in the Commission Regulation on de-minimis aid – 69/2001/EC¹².

Roles and responsibilities

2.24 The RDA should submit a case setting out the need for consent and attach supporting information, including a value for money case, advantages and disadvantages of the proposal, forecast outputs and outcomes, the effect of consent being withheld and a view on State Aid implications. The assessment should include a note on the financial consequences, if any, and where appropriate a discounted cash flow, an assessment of risk and an exit strategy.

2.25 The applications should be sent to the Department via the Government Office who will then forward them to the Department. It is not unusual for Non-departmental Public Bodies financial delegation limits to exceed those of the sponsoring department as in the case of the RDAs in a number of respects. Accordingly, consent for financial assistance to be given, Treasury approval may be required and the Department must be in a satisfactory position to support the application.

10. See paragraph 4.5 of this guidance on disposal at less than the best consideration for information requirements. Property transferred to a voluntary sector service provider to reduce future dependency may be treated as a gift.

11. A gift is defined in paragraph 25.1.2 of Government Accounting as “something which is voluntarily given or donated, without the expectation of receiving anything in return” and is likely to be outside “normal course of business”.

12. Commission Regulation No 69/2001 of 12 January 2001 on the application of Article 87 and 88 of the EC Treaty on de-minimis aid [Official Journal L10 of 13.01.2001]

- 2.26 Providing no further information is required the Department should take no more than 10 working days to process the application. If Treasury consent is required or there is a need to contact another Department the RDA should allow at least 20 working days.

Decisions

- 2.27 A letter of consent or otherwise will be prepared by the Department, following Legal advice, setting out reasons for the decision and any conditions attached to the consent to give financial assistance. The Department retains the right to follow-up any cases where consents are conditional.

Performance reporting

- 2.28 Applications for consent to give non-grant financial assistance are not of sufficient frequency or sufficiently typical to warrant establishment of a specific reporting mechanism. Nevertheless, a note will be added to the quarterly reporting mechanism of any application received, when the decision taken and any lessons learnt.

3. APPLICATIONS FOR CONSENT UNDER SECTION 5(2)(b)

Purpose

- 3.1 The purpose of the consent is to give permission for the disposal of land for less than the best consideration¹³ which can reasonably be obtained and, must be obtained in addition to any consent given under section 5(2)(a).
- 3.2 The Secretary of State's consent is required in order to ensure that:
- land is not being transferred in a manner which would amount to an unlawful breach State Aid rules¹⁴.
 - Treasury policy, as set out in *Government Accounting*, on disposal is followed and,
 - the RDA Board has given its approval to the proposed disposal.

13. Chapter 24 of Government Accounting.

14. The DTI's State Aid Branch provides advice on the non-Transport and non-Agriculture State aid rules and procedures for all Government departments, agencies, local and regional bodies and devolved institutions providing aid to business. For further information visit <http://www.dti.gov.uk/ccp/stateaid/>. Advice on Transport and Agriculture State aid is provided by the relevant Departments.

Roles and responsibilities

- 3.3 The Department will progress the application for consent and refer to the Treasury if the application is considered to be novel, contentious or repercussive, or if the proposal confers an endowment or gift.
- 3.4 The Department will seek advice of other Departments where it considers prudent to do so.
- 3.5 The RDA will submit with an application for consent a full appraisal, setting out the reason for the proposal and supplying information on which financial and other judgements have been made, e.g. a copy of a discounted cash flow, a chartered surveyor's report in accordance with the RICS Valuation and Appraisal Guidance Note (version 5) and a copy of the Board decision. The following documents should be included:
- description of site with site and location plans;
 - reason for the proposed disposal, intended new end use and any change in "site value" since the land was acquired by the Agency and the estimated monies foregone;
 - current use of the site, its planning status / development potential;
 - details of RDA's tenure, interest to be disposed of, and, of any leases and encumbrances;
 - a copy of the valuation report, including the best consideration valuation figure, transaction price, any key terms; and
 - the RDA's justification¹⁵ for disposing at an under value¹⁶ with any offsetting benefits quantified as far as possible and incorporated into a SPAG compliant value for money case.

Decisions

- 3.6 The treatment of the request to dispose of land and/or buildings at an under value may have accounting implications. Long leases at less than market value may be regarded as a "gift" or written-off. A gift over the limit specified in the RDA's Financial Memorandum will need Departmental or Treasury approval and therefore the planned disposal cannot go ahead until approval has been received. Approval to dispose of land or property at nil cost will require write-off approval by Treasury if it exceeds £250,000 and, in both instances charged to resource consumption.
- 3.7 Accordingly, the decision letter will contain the basis on which consent is being approved and any condition attached to safeguarding public assets should the proposed use of the land or property not meet project deliverables or the body to whom the assets are transferred cease to exist within an agreed period.
- 3.8 The decision letter, agreed with Legal Advisors, should be issued within 20 working days of receipt of all requested information.

Performance reporting and lessons learned

15. See SPAG and RICS Appraisal and Valuation Standards UKGN5 Local Authority Disposal of Land At Less Than Best Consideration guidance for principles. Please note that the general consent given to Local Authorities does not apply to the RDAs. Consent is required from the Secretary of State for DTI for **all** disposals at less than best consideration.

16. Undervalue is the expression used to identify the difference between the unrestricted value of the interest to be disposed of and the consideration proposed. Unrestricted value has the same meaning as defined in paragraphs 2.2.1 – 2.2.3 of RICS's Red Book, UK GN5.

3.9 There is insufficient requests of this type to warrant a specific report but a note will be added to the quarterly report of any submission received. Any lessons learnt will be appended to the report or circulated separately to the RDAs. When a sufficient body of knowledge is developed, best practice will be incorporated into guidance.

4. APPLICATIONS FOR CONSENT UNDER SECTION 5(2)(c).

Purpose

4.1 The RDAs (except the LDA) require consent to:

- form a body corporate; or
- acquire an interest in a body corporate.

4.2 The Secretary of State's consent is required in order to ensure that:

- accountability for public funds is properly addressed by the separate entity;
- the proposed entity's prime purpose is to enable the RDA to deliver its statutory purposes;
- the Treasury's fiscal policy is not being undermined;
- any novel, contentious or repercussive aspects have been given proper consideration;
- all reasonable options other than using a body corporate are considered and the Agency's involvement in a body corporate will add value to the project, and
- significant risks in using the corporate body as a vehicle have been identified and mitigated, and that the RDA has an agreed exit strategy.

Roles and responsibilities

4.3 Working in partnership with each other:

- the Department is responsible for ensuring that all applications are processed for consent in line with this Guidance Note and that all relevant considerations have been taken into account in reaching decisions;
- the Department is responsible for revising guidance¹⁷, circulating model documents and informing the RDAs of central Government policy changes which may impact on how consent applications are processed or conditions that are attached to any consent given;
- the RDAs are responsible for ensuring that all applications are consistent with the guidance issued, ensuring all the documents requested are produced to support the application, and that the projects for which the corporate body will deliver has been appraised in line with the Department's Single Programme Appraisal Guidance; and

17. See Annex F for extant guidance and Annex H on prioritising casework.

- the RDAs are also responsible for ensuring that timely consent is sought, via the Government Office, from the Department allowing 30 working days for processing in the Department and five working days within the Government Office in order to manage partner expectations.

Prior consideration of developing proposals likely to require consent

4.4 So that a view can be taken of emerging details and to avoid reopening negotiations with other Members or contractors at a later stage, the Department should be advised at an early stage of proposals that:

- may be novel, contentious or repercussive;
- have a multi-layer structure,
- involve loans, or
- might infringe powers vested in the RDAs under the 1998 Act.

Advance notification of forthcoming applications for consent

4.5 Prior notification of applications expected in the following quarter will enable the Department to use its resources to best advantage. Where proposals require Ministerial approval by another Government Department, the Department should be informed as soon as possible eg Urban Regeneration Companies any special purpose vehicles being considered to take forward the growth agenda eg *Sustainable Communities*, acquisition of tourist boards or cultural consortiums . Any proposals to set-up trading subsidiaries or limited partnerships in which the RDA will be a member of the General Partner should also be notified early in the process.

Submission and consideration of applications for consent

4.6 The RDA Contact should submit the application through the Government Office. The application should include a covering letter, together with the draft constitutional documents, any funding or member agreements or separate contracts, draft business plan with a three year cash flow and, if appropriate a copy of the project appraisal.

Decisions

4.7 Decisions on applications for consent are taken by a senior official in the Department, the Director, acting on advice from the RDA Finance & Governance Team, which consults Departmental Legal advisers and others as appropriate. In taking decisions the Director acts for and on behalf of the Secretary of State for Trade & Industry.

Performance reporting

4.8 To underpin this Guidance Note, the Department will provide a quarterly report which will set out:

- a) the date the application arrived and any subsequent events.
- b) the name of the proposed company and type of body corporate being established.
- c) the time taken to process applications from the RDAs' and make a decision during the period; and

- d) any significant failure by either REG RDA or RDA Contacts to fulfil the terms of this Guidance Note with an explanation in each case and a statement of any remedial action taken.

Promoting best practice

- 4.9 Guidance notes will be developed to spread best practice and model constitutional documents will be added when available. The drafts will be circulated for comment to the RDAs and copied to the RDA National Secretariat and Government Office contacts before consolidation into future guidance.
- 4.10 The RDA Contacts will make the guidance notes available to their own staff and inform their Legal advisors of the models. However, any advice notes and model documents are not meant to cover all aspects, and separate legal advice should be sought to ensure the RDA's accountability and delivery needs are fully considered.

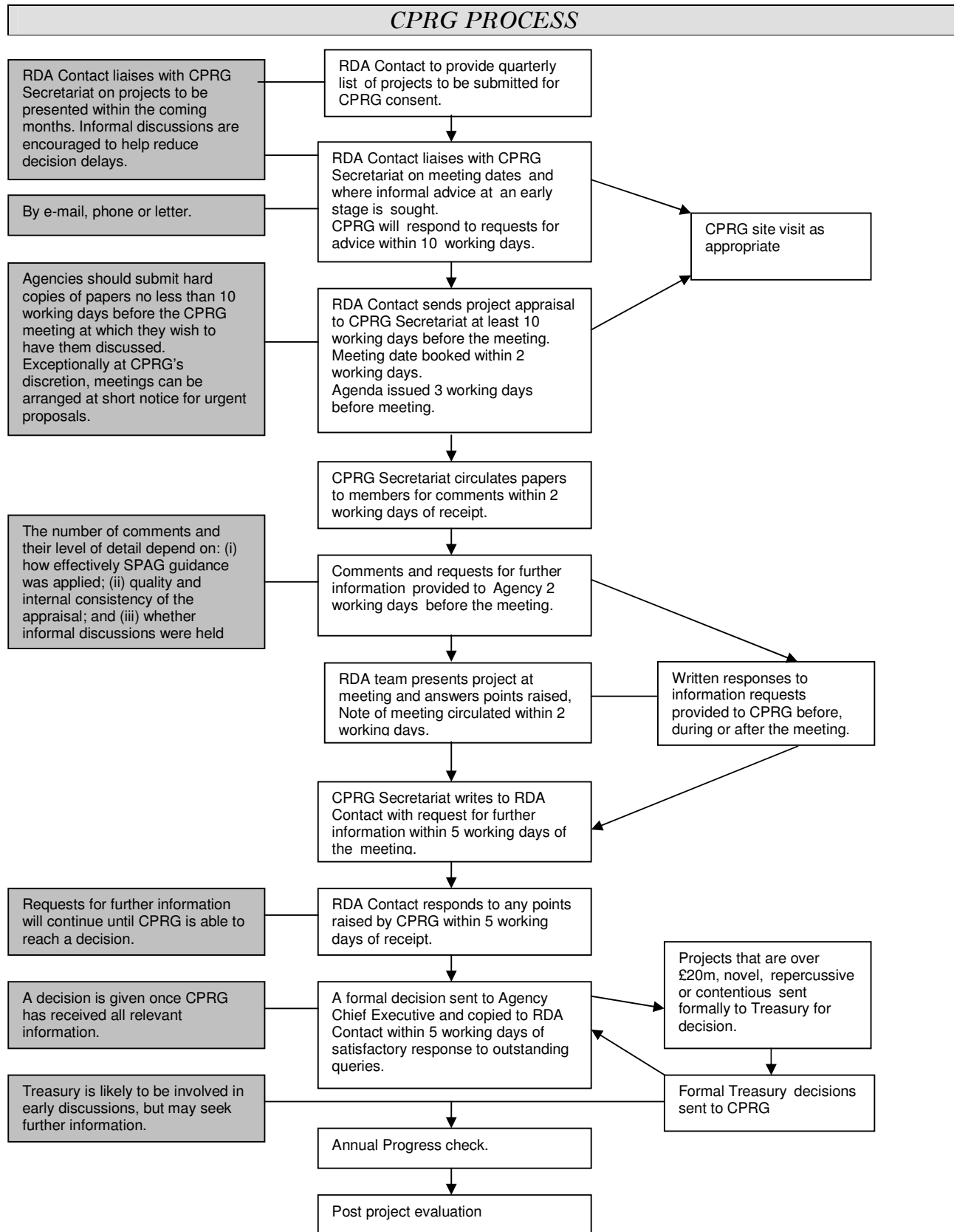
5. ROLE OF GOVERNMENT OFFICES

- 5.1 There is a separate document governing the relationship between the Department and regional Government Offices (GOs)¹⁸ which sets out what is expected of the GOs in carrying out day to day sponsorship of the RDAs and the strategic relationship between the Department and the RDAs. A guidance note was also issued outlining the GO's role in the submission of projects which require or may require consent (see Annex I). In particular, the GOs are required to keep CPRG and the Department informed of any proposals that may require consent at an early stage and whether those proposals fit with Government policies or priorities and other local or regional schemes or initiatives. By involving the GO during the preparation stage the GO will be able to highlight any concerns before project plans become too advanced and advise the RDA of any proposals by other partners that the RDA may not be aware of, or emerging wider government policy. It is therefore important to ensure that the GO is kept fully aware of any circumstance in which an RDA is required to obtain the consent of the Secretary of State.
- 5.2 In the case of project proposals the RDAs should submit the application to CPRG and copy to the GO at the same time. In all other respects, the application should be submitted via the GO. The GO will advise the RDA of any weakness in their application and assist, where appropriate, the RDA to prepare a more robust case. The GO will confirm, or otherwise, that the proposal fits with the RES and indicate whether the GO supports the application. Where applications are sent directly to the Department, in particular by out sourced representatives, this may lead to delays.
- 5.3 Consents issued by the Department are copied to Regional Directors and the RDA sponsor group.
- 5.4 Where the GO undertakes the role of "Confirming Officer" in respect of Compulsory Purchase Orders on behalf of the Secretary of State for Trade and Industry, under specific authority to exercise his/her functions under section 20 of the 1998 Act, the GO will send a copy of its confirmation letter and supporting documents to the Department. for retention.

18. Regional Development Agencies Sponsorship Guidance between the Government Offices and DTI RDA Finance and Sponsorship Directorate.

6. ISSUING CONSENTS DURING GENERAL ELECTION PERIOD

- 6.1 The Director of Operations, Government Communications, at the Cabinet Office has advised that Departments may make decisions in the normal course of business during a General Election (purdah) providing the Department has fully considered the application for consent and, had a General Election campaign not been under way, is in a position to make a decision.
- 6.2 In determining whether to make such a decision the Department will have regard to guidance issued to civil servants (and NDPB board members and staff) on their role and conduct during such periods. The Department will consult the Cabinet Office, on a case by case basis, where any application is deemed novel, contentious and repercussive, or where Ministers have been involved to determine whether or not it would be appropriate to defer the decision until after the Election.
- 6.3 Where a project is given consent during a General Election campaign period the consent letter will state that the decision to issue the consent is consistent with guidance issued to civil servants (and NDPB board members and staff) on their role and conduct during such periods. In such circumstance, no announcement regard the consent can be made until after the date of the Election.



CENTRAL PROJECT REVIEW GROUP (CPRG)

CPRG is an inter-Departmental group and its membership, which will vary from project to project, can comprise the following representatives of government departments:

Role	Department	Team	Role and Responsibilities
Chair	DTI	Director, RDA Sponsorship and Finance	To exercise the Secretary of State's powers in line with this Guidance
Deputy Chair	DDPM		To Head the CPRG Secretariat and act for and on behalf of the Deputy Prime Minister in approving EP projects
Secretariat	DDPM		To co-ordinate the CPRG process.
Members		1 or more, if necessary, from each team below (minimum)	To provide advice to the Chair.
	DTI	Finance & Resource Management Directorate	To look after the Accounting Officer's interests and ensure all financial queries/issues are addressed for the RDA projects. Provide accountancy advice.
		RDA Policy & Performance Team	To ensure RDA projects have a good policy and strategic fit.
		Regional Economics and Analysis (except where economic advice is provided by DDPM)	To advise and provide guidance on the quality and robustness of appraisals, ensuring these reflect current best practice. Value for money assessment of all projects.
	DDPM	Central Finance Advice & Administration Division	To look after the Accounting Officer's interests and ensure all financial queries/issues are addressed for EP projects.
		Central Economic Advice Division (except where economic advice is provided by DTI)	To advise and provide guidance on the quality and robustness of appraisals, ensuring they reflect current best practice. Value for money assessment of all projects.
		Regeneration Land & Property Division (RLPD-D)	To ensure projects have a good policy and strategic fit. Policy advice on role of EP, the Land Stabilisation Programme, the National Coalfields Programme, brownfield land and Urban Regeneration Companies. RLPD-D also provides the Secretariat service.
		RLPD-E	To advise and provide guidance on property related aspects of projects, including Valuations supporting projects and the property market context.
	Treasury	Devolved Countries and Regions Team (for RDA projects) Housing and Urban Team (for EP projects)	Treasury approval is required for projects that exceed £20 million or are "novel, contentious and repercussive".
	Government Office (GO)	Various	If deemed necessary, to provide assurance that the project is consistent with the RES and is not

			contentious within the region, or draw attention to any continuing concerns. Any such contribution may be provided in writing.
	Government Departments	Various policy teams or specialists	Policy leads or specialists will be invited to attend discussions of projects involving their policy areas or initiatives in order, where necessary, to provide assurance that the project is consistent with any relevant national policy or draw attention to any continuing concerns. Any such contribution may be provided in writing.

FULL PROJECT SUBMISSIONS

Full project submissions include:

- a Covering Letter;
- the Executive Summary;
- the Project Appraisal;
- technical supporting material e.g. valuation reports.

A submission may initially be sent in electronically, provided that supporting documentation that is not on MS Word or Excel (eg maps, plans or other documents) is provided in hard copy. Whatever has been supplied electronically, however, it should be followed up by eight complete sets of hard copies of all documentation at least 10 working days before the meeting.

Covering letter

This should:

- highlight the preferred option and the gross undiscounted cost to the agency;
- identify other public sector organisations and Government Departments with an interest in the project, relevant timing considerations and any other key features;
- confirm the project has the RDA's Board approval
- identify any relevant previous consideration by CPRG and/or consent issued by or on behalf of the Secretary of State. A copy should be provided.

Executive summary

This should summarise the project key features and use signposts to relevant sections in the main text and footnotes, where appropriate. It should assume no prior knowledge of the project by CPRG members and should emphasise what they need to know about the project.

Project Appraisal

Generally, this should be no longer than 40 pages, including Annexes (but not including valuation reports which should be provided separately). Annexes may be used to provide any relevant technical details and supporting evidence. Project Appraisals should comply with the Single Programme Appraisal Guidance and contain sufficient information to allow CPRG to understand the project, its rationale and value for money without reference to other material.

EXECUTIVE SUMMARY TEMPLATE

Topic	Information to be provided
-------	----------------------------

1. Project Description	Brief description of the proposed project, its objectives and its intended impact, including any proposal to dispose of land at less than the best consideration.
2. Strategic Fit	Explain how it supports the delivery of the Regional Economic Strategy (RES) and how it fits in within the RDA's Corporate Plan.
3. Rationale	Explain why the RDA needs to intervene and why it considers the project is a good public sector investment. What market failure does it address? Is the project novel, contentious or repercussive? Are there links between this project and other RDA or other project(s) or initiatives within the region? What consideration was given to State Aid issues and how have these been addressed?
4. Options	What alternative options have been considered? Give reasons for rejecting options. What is the preferred option and why?
5. Costs	Give the RDA and total costs ¹⁹ of the short listed option(s) – capital, revenue and receipts. Include project cash flow statement.
6. Values	For land and property projects include an analysis of values and their associated property market context, focussing on demand supply and take up.
7. Outputs/Outcomes	Identify outputs and outcomes – gross and net, direct and indirect.
8. Economic Appraisal	For each short listed option the cost benefit analysis results. Include distributional impact, optimism bias, discounting, NPV and results of any sensitivity analysis. Outline key risks (weaknesses and threats) to the project and how these will be mitigated and/or managed e.g. planning permission required? Has a sensitivity analysis been carried out? What were the main conclusions from this? What are the key measures (i.e. unit costs per job, per area of remediated land, etc), including benchmark comparisons, which support the selection of the preferred option?
9. Funding	For the preferred option, have all the funding streams been assessed and identified? Identify separately funding from RDA ²⁰ , other public sector, and private sector. Include funding statement. What repayment and/or claw-back provision are proposed?
10. Delivery Arrangements	What is the project timescale? Does the delivery organisation have the right expertise, with a suitable track record? State role of partners in the project. What are the monitoring and evaluation procedures? How will the RDA ensure that the project delivers the expected outputs/outcomes? Confirm that the RDA will allocate appropriate resources and expertise to manage this project. In cases involving funding from other bodies, specify which partner has an agreed or contractual role in leading delivery of the project.
11. Exit and Forward Strategies	What are the exit and/or forward strategies? How will the project impact be sustained after the RDAs investment ceases?
12. Any Other Information	Confirm that the RDA has appraised and approved the project in accordance with their internal procedures. Was an earlier presentation made to CPRG? If yes, confirm that any comments have been taken on board in the current project.

ANNEX E

ANNUAL PROGRESS REPORT FOR CPRG APPROVED PROJECTS

Name of Agency:

19. Gross undiscounted including RDA direct management costs and fees.

20. RDA funds are all those that the RDA is directly accountable for.

Name of Project:
BACKGROUND INFORMATION
Description of project, including objectives:
BUDGET PROGRESS
Approved Agency budget:
Is the project running to budget?
TIMESCALE PROGRESS
Is the project running to timetable? Include details of any key milestones achieved and next steps.
OUTPUT PROGRESS
What progress has been made to date in achieving outputs – compare with original targets. Where appropriate, site or floorspace take-up should be included as well as completions.
ISSUES TO BE ADDRESSED
Where a problem has been identified above, explain why the problem has occurred and what is being done about it.
PROJECT EVALUATION
For completed projects – include a copy of the evaluation or details of when the evaluation will take place.
ANY OTHER INFORMATION RELEVANT TO PROJECT
Any other information

ANNEX F

REG RDA GUIDANCE ON STRUCTURING APPLICATIONS FOR CONSENT

**APPLICATION UNDER SECTION 5(2)(C) OF THE REGIONAL DEVELOPMENT
AGENCY ACT 1998 FOR CONSENT TO FORM, OR ACQUIRE AN INTEREST
IN, A BODY CORPORATE.**

1. Under section 5(2)(c) of the RDA Act 1998 Agencies need consent from the Secretary of State to form, or acquire an interest in, a body corporate. The process for giving these consents needs to be efficient and timely for all parties. The purpose of this note is therefore to provide guidance without being overly prescriptive.
2. There may be a need for different type of consents, one for forming and later acquiring an interest in a company and another for the Agency to become a member of an existing company. Where appropriate, these will be given in the same consent letter. Officials in the Department, Directors and above, have been authorised by the Secretary of State to give such consents on his or her behalf and they may not be given by any other body.
3. Officials have a duty to protect the Secretary of State and the Accounting Officer and therefore need to understand fully the context of the proposal and the reason that the Agency has decided on this particular option rather than any other, including the provision of grant. In considering an application for consent under section 5(2)(c), the Department will not be assessing whether the proposal offers value for money, which is rightly the responsibility of those approving the project, the Agency for projects up to their delegation limit or CPRG for larger projects.
4. A checklist is appended which summaries the information and the level of detail required from the Agency when making an application for consent. The Agency will be expected to have thought through all these issues in its project appraisal and this information should therefore be readily available, and is likely to be in the business case. The summary should be short, succinct and complete, preferably no more than 4 pages long. A copy of the proposed/existing Memorandum and Articles of Association is also required along with any other constitutional document. The aim is to avoid the need to request additional information from the Agency and careful completion of the application at this initial stage of the process will greatly help to avoid delay. The Department reserves the right to go back to the Agency for additional information if we are not satisfied that what is being presented gives us sufficient information on which to arrive at a decision on the consent application.
5. Applications for consent should always be sent in the first instance to the respective Government Office who will pass them on to the Department after assuring themselves that the information is complete and relevant. The Department would normally expect the proposal to have been discussed first with the Government Office and the Government Office will also add its comments on the proposal as an aid to decision-making.
6. CPRG, although chaired by the Director of REG RDA, cannot give Section 5(2)(c) consents but in circumstances where a CPRG approval is also needed it makes sense for the Agency to work towards putting in parallel applications for both CPRG approval and Section 5(2)(c) and any other consent needed around the same time.
7. All applications for consent will be considered on a case-by-case basis. Some cases may be straightforward, other cases may need to be referred to Departmental lawyers for advice and, depending on the nature of the proposal, the Department may need to consult with the relevant policy Department e.g. DDPM in respect of regeneration activity. The Department will endeavour to progress all consents within 30 working days of receipt providing all the necessary documents have been submitted.

8. Participation in companies involve issues of control and risk and it is expected that the Agency will ensure that it can discharge the requirements of the Financial Memorandum for all money for which it is accountable.
9. Section 5(2)(c) consents provide no other consents or approvals that the Agency may need and the Agency must ensure that it takes legal advice as appropriate.
10. The Agency must separately assure itself that there is no difficulty in respect of State Aids (indirect aid or entering a competitive market). The Agency should monitor the body corporate in a way that enables the company to comply with the Agency's own auditing and accounting procedures in respect of money granted/invested or which is at risk. Agency participation in companies does not release the Agency from complying with the requirements of the Financial Memorandum and Management Statement.
11. The Agency must decide, in accordance with accounting standard FRS2 and Treasury guidance, whether the company's status is public or private sector before submitting an application for consent as this can impact on the drafting of the constitutional documents or have an effect on expectations. Information links are provided in the checklist. Where there is doubt, the Department will refer the case to the Treasury. Where the company is classified as being in the public sector more stringent rules apply eg the Agency's Financial Memorandum (Government Accounting rules) and Management Statement (accountability and governance) requirements **will normally apply to the company**. In addition, the company's accounts will normally need to be consolidated into the Agency's accounts.
12. The standard consent letter and conditions (Appendix A) have been revised to include conditions that are considered relevant and important for the protection of public funds and will be subject to review on an ongoing basis. **The Secretary of State reserves the right to vary the conditions on a case-by-case basis.**
13. The Department recognises that the Agency may not enjoy control over the Company either at board level or amongst its members, as a matter of company law. As a result it is accepted that the Agency may not have the legal right to force the company to comply with its wishes in every case. However, if the terms of the consent **are breached**, and the Secretary of State revokes consent by notice in writing to the Agency, the consequence of revocation would be that the Agency would have to cease to be a member of the Company forthwith and the directors it appoints would have to resign at the same time. Instructions may include the withdrawal of funding.
14. Definitions **in the consent letter** of substantial (clause 1b) and significant (clause 4) are as follows:
 - The term **substantial** in respect of assets means more than 50% of the assets declared at the time of the application for section 5(2)(c) consent or 50% of the highest level of assets held by the company at incorporation until disposal is considered (whichever is the higher).
 - The terms disposal of business here means disposal of more than 50% of the business in terms of total book value of the business established at the time of application or the highest book value known at the time when the matter is considered (whichever is the higher).
 - The term **significant** implies the extent of change, which may include reducing the level of influence the Agency is able to exercise on the board from its original level stated at the time of

application. This clause could also be triggered where, as a result of a withdrawal of funding, the project that the company was set up to achieve, is put in jeopardy.

Dear xxxxx

**CONSENT OF THE SECRETARY OF STATE TO xxxxxxxxxxxx AGENCY
UNDER SECTION 5(2)(c) OF THE REGIONAL DEVELOPMENT
AGENCIES ACT 1998**

On the basis of the information provided by xxxxxx letter dated xxxxxx, *supplemented by further information supplied* on xxxxx, this letter gives formal consent on behalf of the Secretary of State under section 5(2)(c) of the Regional Development Agencies Act 1998 (the "Act") to the "xxxxxxx" ("the Agency") to form a company called xxxxxxxx (the "Company"). *[to appoint directors [number if known] to the Board of the Company]* to undertake *[set the scheme of the project or reason for the company being established]*

It will remain the responsibility of the Agency to ensure that the financial arrangements for the Company satisfy the Accounting Officer's responsibility for value for money, and for following Asset disposal and Estates Management practices laid down by Government. Participation in companies involve issues of control and risk and it is expected that the Agency will ensure that it can discharge the requirements of the Financial Memorandum between DTI and the Agency for all money for which it is accountable.

Under section 29 of the Act the Secretary of State has the power to give consent subject to conditions. This consent is subject to the conditions set out in the attached Annex A. If any of these conditions is or is likely to be breached you must notify the Secretary of State forthwith who may decide to vary or revoke this consent.

The Agency must ensure that prior approval is sought for matters where the Financial Memorandum applies.

Nothing in this letter is to be construed as giving or as implying the giving of any other consent or approval that the Agency or any other person may need in order to deliver the project or contribute towards its delivery.

A copy of this letter goes to xxxxx, Chair of Agency, and xxxxx at Government Office for xxxxxx and xxxxx here.

(Example of draft clauses to a Section 5(2)(c) consent letter.)

CONDITIONS ATTACHED TO THE CONSENT TO FORM, AND ACQUIRE AN INTEREST IN xxxxxxxxxx PURSUANT TO SECTION 29 OF THE REGIONAL DEVELOPMENT AGENCIES ACT 1998

1. The Company shall not form a subsidiary company, including joint ventures, or acquires an interest in another body corporate without the Secretary of State's prior written consent.
2. The Company shall not dispose of the whole or a substantial part of the business or assets of the Company, [other than in accordance with paragraph x of the Company's Business Plan [dated]] without the Secretary of State's prior written consent.
3. The Company shall not, without the Secretary of State's prior written consent, dispose of property other than for the best consideration which can reasonably be obtained.
4. The Company shall not, without the Secretary of State's prior written consent, do anything which is contrary to the expenditure rules set out in the Agency's Financial Memorandum, which include, but not limited to, rules on borrowing lending and issuing guarantees and indemnities. [Only for use where the Company is "public" within the meaning of Treasury Guidance]
5. The Agency shall inform the Secretary of State if there is a significant change in the funding of the Company as against the funding set out in the formal application submitted to the DTI by the RDA. [depends on how well advanced the business plan / funding agreement is/are when application is made]
6. There shall be no change in the membership of the Company without the Secretary of State's prior written consent. [depends on structure of the company and prospective members]
7. The Company shall not grant security over or charges assets acquired using exchequer funding or offers the same as collateral in respect of monies it borrows.
8. The Company shall not borrow money on a medium or long term basis from a private body. [Only for use where the Company is "public" within the meaning of Treasury Guidance]
9. The Company shall not be in breach of any of its objects from time to time set out in its Memorandum of Association.
10. The Agency shall inform the Secretary of State if the Company becomes insolvent or makes any arrangement with its creditors or goes into liquidation, or takes or suffers any steps preparatory to winding up the Company or to the appointment of an Administrator, Liquidator, or Receiver or commits or suffers any act equivalent or preparatory to any of the foregoing.
11. The Agency shall inform the Secretary of State if the Company fails to provide it's annual audited accounts within the time specified under the Companies Act 1985, as amended.

12. You shall inform the Secretary of State if the European Commission requires repayment of any monies paid to the Company by the Agency, its shareholders/members or any other party, or repayment is required pursuant to an obligation under EC law.

CHECK LIST OF INFORMATION TO BE PROVIDED TO DTI IN RESPECT OF SECTION 5(2)(C) APPLICATIONS

Background and Purpose

1. Background to the application including a business case outline.
2. Details of the proposal for which consent is sought.
(For example, it is helpful if you can give details of how the project will be delivered eg: will the company itself carry out the work or will it be carried out by particular members, or will the company contract out the work to third parties? It is often helpful if you can provide a final draft Business Plan which will generally contain these details. If the work is to be carried out by third parties on behalf of the company under service level agreements, or if third parties are to provide administrative or other services to enable the company to function, it is useful to receive details of these agreements and the organisations which will be providing such services).

Strategic Fit

3. Relationship of the proposal to the Agency's Corporate Plan, its Regional Strategy and to other relevant strategies to show the strategic fit including a competitor analysis (who (if at all) would the company be competing with?).

Company Type and Structure

4. Type of company proposed and the rationale and justification for the Agency's involvement. What is the added value of having a company? What is its remit?
(Please note,
 - (a) *Section 5(2)(c) companies are usually companies limited by guarantee, which seem an appropriate vehicle in view of the functions they carry out; and*
 - (b) *You should set out whether the RDA will simply be a member of the company or will also be entitled to appoint directors to the board, if so how many, whether they are executive or non executive and the justification for each of these decision.)*
5. Proposed administrative and financial structure of the company (include a copy of the proposed Memorandum and Articles of Association and any other constitutional documents). Contributions by parties, type and amount. projections over 3 years, relationship with any delivery structure (supply a diagram). Reporting lines of the new company's Finance Director.
(Additional Notes:
 - (a) *The Articles should ensure that both the RDA's membership of the company and any directors it is entitled to appoint enjoy sufficient protection in the event of a resolution to remove them. RDAs may also wish to retain the right to retire from membership on giving appropriate notice (see exit strategy).*
 - (b) *The Articles should protect an RDA appointed director where the RDA does not propose to be a member of the company may prove more difficult. Protection of this kind may be afforded to*

all founder members (ie those organisations that become members and / or are entitled to appoint directors on incorporation of the company).

(c) If there is to be a shadow board pending incorporation of the company you should provide details, including details of any funds which will be made available to the shadow board pending incorporation, and what rights RDAs will have to recover this in the event that the company is not incorporated or the project fails.)

6. Membership of the company and proposed Board members (by organisation and by name), if available.

(Additional notes:

(a) It is not necessary to name the individuals who will be appointed to the board, but you should give details of as many as possible of the organisations which will be entitled to appoint directors.

(b) If the running of the company will in fact be delegated by the board to a sub committee (eg: including the chief executive, finance director and development director) it is useful if this can be specified, as well as what role if any the RDA director will play on the sub committee.

(c) If the members are to enter into a Membership Agreement between themselves you should provide details.)

(d) Will the RDA acquire a controlling (50% of the voting rights) or non controlling interest in the company and if it is non controlling whether and in what circumstances it is envisaged that this may change.)

7. Funding of the company from the Agency including future commitments and future liabilities, and from other partners/members - to include details of the funding partners, the nature of their contribution (cash, capital, in kind), and whether their contribution is confirmed at an appropriate level).

(Additional notes:

(a) You should specify the amount of funding the RDA and all other parties will be providing.

(b) You should also provide brief details of what documentation will be put in place to ensure that all parties provide the agreed funding to the company, including how receipts will be shared amongst members, and whether they will have rights to clawback monies in the event that the project or the company fails.

(c) If you are providing a guarantee or indemnity to the company of any kind you should give details; you will need to demonstrate that the proposal is consistent with the provisions of the RDA Financial Memorandum 2005 [paragraphs 4.13 – 4.14] and you may need to seek separate consent if it is not. Such consent if needed could be given at the same time as the Section 5(2)(c) consent but it would need to be clearly flagged up in the business case and brought to the attention of the reviews in the submission.)

8. Proposed borrowing by the company, if private sector classified (see checklist note), and if yes, please give details.

(Additional note:

*If the RDA is involved with a subsidiary (ie a public sector entity **as defined under Financial Reporting Standard 2 (FRS2)**) then it is a condition that it must not borrow medium or long term from the private sector. Short term funding e.g for overdraft purposes [see paragraph 3.13 of the RDA Financial Memorandum 2005], may be permissible providing this is specifically*

guaranteed by the RDA in the first instance. If the RDA forms or acquires an interest in a body corporate under section 5(2)(c) whether public or private sector, then it is a condition that the body must not borrow against exchequer funded assets or use them as collateral.

9. Confirmation that the Agency is satisfied that there are no State Aids issues and give reasoning²¹.
10. The Agency's assessment of whether the company will be a private or public company within the meaning of Treasury guidance²². Please note that the guidance is primarily aimed at companies with a share structure and companies limited by guarantee with Boards consisting of a majority of private sector members (private sector led) will not automatically fall within the meaning of "private".

Risk Assessment

11. Assessment of the financial implications and risks for the Agency in the short, medium and long term.
12. Has a detailed risk assessment been done? How will risk be managed and resolved? If the worst happens what is the result – in terms of loss of investment, exposure, and Agency's reputation.
13. The Agency's exit strategy (please be specific) with specific reference to and assets. *(Additional note: You should, if possible, stipulate the number of years the project is expected to last and in what circumstances the RDA's involvement in the company will cease. If it is for the company to determine the circumstances in which the project will cease, it is helpful if you can confirm what factors will be taken into account. If the project is to be disposed of to a private sector organisation or turned into a joint venture then please give details.)*

21. DTI State Aid Branch contact details e-mail:sapu@dti.gsi.gov.uk or telephone 020 7215 8375 DTI Website: <http://www.dti.gov.uk/ccp/stateaid/>

22. A Guidance note for Public Sector Bodies forming Joint Venture Companies with the Private Sector (December 2001). This is Treasury Guidance prepared by Partnerships UK on the Partnerships Website. FRS2 and FRS9.
http://www.hm-treasury.gsi.gov.uk/psd/PES_database/classification/class1.htm
http://www.hmtreasury.gov.uk/Documents/Public_Spending_and_Services/Audit_and_Accounting/pss_aud_tfunds.cfm
<http://www.government-accounting.gov.uk/current/frames.htm>

CASEWORK PRIORITIES

The following is a guide as to how the Department will prioritise casework.

1. Applications for approval to form or acquire an interest in an Urban Regeneration Company.
2. Applications for approval to form or acquire an interest in a Rural Regeneration Company.
3. Applications for approval to form or acquire an interest in any other type of corporate body.
4. Applications to vary existing constitutional documents.
5. Applications to vary the name of a company.
6. Applications for approval to vary the conditions of a previous approval - others.
7. Questions concerning conditions attached to existing approvals.

**THE ROLE OF GOVERNMENT OFFICES IN THE SUBMISSION OF PROJECTS
ABOVE DELEGATION LIMITS OR MAY OTHERWISE REQUIRE CONSENT
UNDER SECTION 5 OF THE RDA ACT 1998, AS AMENDED**

1. Government Offices hold regular meetings with RDAs, review board papers etc and thus have advance knowledge of RDA projects being developed in their region. The GO is therefore responsible for:
 - a) Keeping CPRG secretariat informed of any projects under consideration by the RDA that might come to CPRG because they are likely to be above the RDA's delegation level;
 - b) Helping the RDA to identify projects that they are novel, contentious or repercussive, and inform CPRG secretariat about these, and
 - c) Provide information on progress to enable CPRG's to be kept up to date.

This is in addition to the requirement placed on the RDAs to provide quarterly information.
2. Prior to CPRG's review meeting on a particular project, the GO is responsible for:
 - a) Identifying any local sensitivities, views or issues (eg planning issues) of which CPRG should be aware, and conveying these to CPRG;
 - b) Where projects involve greenfield consent of more than 30 acres (approximately 12 hectares) the GO is responsible for submitting the request for consent to CPRG. Submissions should cover the issues set out in the '*GREENFIELD CONSENTS - GUIDANCE FOR GO STAFF*' (31/7/01) and as a minimum include details of what the RDA is proposing for the site, the planning position, whether alternative brownfield sites are available and whether the GO supports the proposals;
 - c) Identifying any possible impacts of the project on other developments and activities within the area, and
 - d) Giving CPRG an indication of whether GO supports the project; if so, with what reservations, if any; if not, why not. (If there's insufficient time to do this before the meeting, to do so at the meeting - see 3d) below).
3. GO representatives attend CPRG meetings as a full member of the group. In doing so may:
 - a) add value to the discussion from his or her local knowledge.
 - b) ensure local sensitivities, views, issues and impact are fully considered by the Group.
 - c) give CPRG an indication of whether the GO generally supports the project etc (see 2c above) if there has not been time to do this beforehand. (Where it is not possible for the GO to reach a view for or against the project at the meeting because key work remains to be done the GO should inform the CPRG secretariat once a decision is subsequently reached).
4. CPRG will ensure that any GO concerns are fully addressed and satisfied prior to consent.

5. GOs should inform the Department and CPRG secretariat, as soon as possible, if there are any changes to the designated key contact for CPRG issues.

SECTION 5 (2)(a) - CPRG CONTACTS

RDAS AND GOVERNMENT OFFICES

RDA Contact	GO Office – Contact
<p><i>Paul John</i> 0121 503 341 PaulJohn@advantagewm.co.uk</p>	<p><i>Sue Hatton</i> GTN 7-6177 5268 or 0121 2125268 sue.hatton@gowm.gsi.gov.uk</p>
<p><i>Jude Thompson</i> 01223 200877 mbl 07753935299 JudithThompson@eeda.org.uk</p>	<p><i>Jackie Ozakpinar</i> GTN 7-3841 2624 or 01223 372624 jackie.ozakpinar@goeast.gsi.gov.uk</p>
<p><i>Ian Ladder</i> 0115 988 8440 ianl@emd.org.uk</p>	<p><i>Martin Gorman</i> GTN 7-6205 2669 or 0115 971 2669 martin.gorman@goem.gsi.gov.uk</p>
<p><i>John Mercer</i> 020 7954 4759 JohnMercer@lda.go.uk</p> <p><i>Jonathan Kalemara</i> 020 7954 4620 JonathanKalemara@lda.gov.uk</p>	<p><i>Andrew Short</i> GTN 7-217 3425 or 020 7217 3425 mathew.collins@gol.gsi.gov.uk</p>
<p><i>Dave Perkins</i> 01925 400161 David.Perkins@nwda.co.uk</p>	<p><i>David Pye</i> GTN 7-4301 4489 or 0161 952 4489 david.pye@gonw.gsi.gov.uk</p>
<p><i>Fergus Mitchell</i> 0191 229 6537 fergus.mitchell@onenortheast.co.uk</p>	<p><i>Irene Riley</i> GTN 7-5227 3928 or 0191 2023928 irene.riley@gone.gsi.gov.uk</p>
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